

PANGBORN MEMORIAL AIRPORT
Douglas County, Washington
January 1, 1991 Through December 31, 1992

Schedule Of Federal Findings

1. Pangborn Airport Should Submit Its Federal Aviation Administration (FAA) Grant Reimbursement Claims In Accordance With Program Requirements

During our audit of the Airport Improvement Plan grant program, we evaluated the terminal construction costs reported on the reimbursement request forms submitted to the FAA for 1992 and 1991. These reports showed that the airport reimbursement requests included costs for a mural placed in the terminal, a type of service which is not eligible for reimbursement under the grant agreement.

The *Compliance Supplement for Single Audits of State and Local Governments* states in part that:

. . . decorative landscaping, sculpture, or art works are examples of items for which FAA funds cannot be expended.

The FAA reimbursement rate for terminal project costs is 57 percent. The cost of the mural was \$19,879, resulting in a possible overfunding of \$11,331. The error was due to an oversight on the part of the airport staff in including the costs of the mural on the FAA reimbursement requests.

We recommend that the airport submit corrected reimbursement requests to the Federal Aviation Administration and adjust its reimbursement claim accordingly. We further recommend that the airport review its internal control system to ensure that only allowable costs are submitted to grantor agencies for reimbursement.